

IN THE MATTER OF: BUSINESS OPTIONS, INC.

Deposition of William Brzycki

July 18, 2003

"We'll cover your job ANYWHERE in the country!"

COURT REPORTERS, ETCetera, INC.

(202) 628-DEPO (3376) (410) 653-1115 1-800-947-DEPO (3376)

1	BEFORE THE FEDERAL COMMUNICATIONS COMMISSION	1	I-N-D-E-X
2	WASHINGTON, D.C. 20554	2	EXAMINATION BY:
3		3	Mr. Shook
4		4	Mr. Hava
5		5	
6	BUSINESS OPTIONS, INC., * FILE NO. EB-02-TC-151	6	EXHIBITS:
7	ORDER TO SHOW CAUSE AND * NAL ACCOUNT NUMBER:	7	1 Tariffs - 10/8/02
8	NOTICE OF OPPORTUNITY * 30033217002	8	2 Certificate of Authority - 10/9/02
9	FOR HEARING * FNN: 0007179054	9	3 Certificate of Public Necessity and Convenience
10	DEPOSITION OF:	10	4 NECA - 10/14/02
11	WILLIAM BRZYCKI,	11	5 Federal Licensing
12	was taken Friday, July 18, 2003, commencing at	12	6 Federal Reporting
13	9:05 a.m., at the LaQuinta Inn, 8210 Louisiana	13	7 499 Reporting
14	Street, Merrillville, Indiana, before Nova	14	8 Annual Reports
15	Hollister, Notary Public.	15	9 Company Relationships
16	* * * * *	16	
17	COURT REPORTERS, ETCetera, INC.	17	
18	Maryland	18	
19	(410) 653-1115 (202) 628-DEPO	19	(Exhibits included with transcript.)
20	"We'll cover your job ANYWHERE in the country!"	20	
21	1-800-947-DEPO	21	

1	APPEARANCES:	1	P-R-O-C-E-E-D-I-N-G-S
2		2	WHEREUPON --
3	on behalf of the BUSINESS OPTIONS:	3	WILLIAM BRZYCKI,
4	KEMAL HAWA, ESQ.	4	a Witness called for examination, having been
5	1200 New Hampshire Avenue, N.W.	5	first duly sworn, was examined and testified as
6	Washington, D.C. 20036	6	follows:
7	(202) 974-5600	7	DIRECT EXAMINATION
8	on behalf of the FCC:	8	BY MR. SHOOK:
9	TRENT B. HARKRADER, ESQ.	9	Q. Could you state your full name,
10	JAMES W. SHOOK, ESQ.	10	please?
11	445 12th Street, S.W.	11	A. William Brzycki.
12	Washington, D.C. 20554	12	Q. Could you spell the last name, please?
13		13	A. B-R-Z-Y-C-K-I.
14		14	Q. Your residential address?
15		15	A. 35 Indian Trail, Merrillville, Indiana
16		16	46410.
17		17	Q. Your length of time at that residence?
18		18	A. Two years.
19		19	Q. Prior to that time?
20		20	A. 7344 Van Buren in Hammond, Indiana
21		21	46323.

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1 Q. And your time at that residence?
2 A. **About four years.**
3 Q. Are you currently employed?
4 A. **Yes.**
5 Q. The name of your employer?
6 A. **Westfield Corporation of America.**
7 Q. The folks who run the shopping center
8 across the street from us here?
9 A. **Yes.**
10 Q. What is that you do there?
11 A. **Assistant general manager.**
12 Q. How long have you held that position?
13 A. **About three months.**
14 Q. What were you doing before then?
15 A. **Nothing.**
16 Q. How long was that period of nothing?
17 A. **About five months.**
18 Q. What were you doing before that?
19 A. **I was working at Buzz Telecom.**
20 Q. As some background before we proceed,
21 basically how I intend to do this is to show you

1 been produced to us in discovery in this
2 proceeding by Business Options, Buzz Telecom,
3 U.S. Bell, whatever it is that the entity is.
4 A. **Okay.**
5 Q. What is it that I handed to you?
6 A. **It's an employment agreement.**
7 Q. Between whom?
8 A. **Myself and probably Business Options.**
9 **Yes, Business Options.**
10 Q. So and who signed on behalf of
11 Business Options?
12 A. **Kurtis Kintzel.**
13 Q. And if you could go to the fourth page
14 of what I handed to you, you see the signatures
15 down there?
16 A. **Uh-huh.**
17 Q. Do you recognize the signatures?
18 A. **Yes.**
19 Q. One is yours?
20 A. **Yes.**
21 Q. And the other is?

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1 a series of documents which we have reason to
2 believe you have some knowledge about. And
3 basically I'll ask you whether or not you've seen
4 the document before and then depending on what
5 the document is, I'll ask questions specific to
6 the document.
7 A. **Okay.**
8 Q. And I'm going to try to do this in
9 some sort of chronological order. And hopefully
10 that way, the two of us will stay relatively
11 unconfused about what's going on here.
12 So the first document I want to show
13 you bears Bate Stamp Numbers 00675 through 00678.
14 For your information, Bate Stamp Numbering is
15 simply a method by which all of us in this
16 proceeding can keep track of what it is that
17 we're looking at. It has no other particular
18 significance.
19 A. **Okay.**
20 Q. And all of the documents or at least
21 most of the documents I'm going to show you have

1 A. **Kurtis.**
2 Q. And he signed it in what capacity?
3 A. **Chief executive officer.**
4 Q. Of?
5 A. **Business Options.**
6 Q. Was this your first employment with an
7 entity owned or controlled by Kurtis Kintzel?
8 A. **I had been employed previous to this**
9 **by the company, this was my first agreement.**
10 Q. When is it that you started to work
11 for the company?
12 A. **October 15th, 1995.**
13 Q. And that is Business Options Inc.?
14 A. **No. That is Creative Financial**
15 **Options, and that was an entity also owned by**
16 **Kurtis. Creative Financial Options then was**
17 **dissolved and I moved to Business Options.**
18 Q. What is it that you were supposed to
19 do at Creative Financial Options?
20 A. **I started out working in the treasury,**
21 **handling income. And then I moved up to treasury**

Page 9

1 manager. And I basically handled all the banking
2 and book-work type of stuff.

3 Q. By handling money, that meant that you
4 were responsible for ensuring that deposits made
5 its way to the bank?

6 A. Yes.

7 Q. And that checks were written and sent
8 to the proper people?

9 A. Yes.

10 Q. Was that both vendor checks and
11 payroll checks?

12 A. Not at the beginning. But after about
13 a year, we had a service doing the payroll.
14 After about a year, we started doing it
15 internally.

16 Q. Doing the payroll would involve making
17 sure that the employees got paid on time?

18 A. Yes.

19 Q. And that Social Security taxes were
20 paid?

21 A. I didn't really handle that aspect of

Page 10

1 it. I just did the actual calculation and wrote
2 checks for the employees.

3 Q. Calculation, meaning, that which was
4 to go to the employee on a particular day?

5 A. Yes.

6 Q. And somebody else was responsible for
7 ensuring that Social Security got paid?

8 A. Yes.

9 Q. Who was that?

10 A. I would assume it was Kurtis.

11 Q. For purposes of this deposition, if it
12 turns out that I ask you a question that you
13 don't know the answer to, it's perfectly
14 acceptable to say you don't know.

15 A. Okay.

16 Q. What is it that Creative Financial
17 Options did?

18 A. Creative Financial Options was a
19 multi-level marketing company. What they did was
20 sold long distance telephone service at ten cents
21 a minute, which at that time was unheard of.

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1 Nobody was doing it that cheap then.

2 Q. Was the product owned by Creative
3 Financial Services?

4 A. Can you define "owned by"?

5 Q. I'll give you some background and that
6 may help you understand why I'm asking the
7 question the way I did. Currently, it is our
8 understanding that the long distance product that
9 is being sold by the "company" -- and I use that
10 in quotes -- is Business Options Inc. product.
11 On the other hand, all the persons involved in
12 the sales of that product are employed by an
13 entity other than Business Options Inc., either
14 by Buzz Telecom or by Avatar. And Avatar has got
15 some other words attached to it. So that's why I
16 asked the question the way I did.

17 A. I wasn't involved in that aspect of
18 it. But my understanding of it at the time, was
19 that the product was from a carrier in
20 California.

21 Q. Was there -- did there come a time

Page 12

1 when you became aware that Business Options Inc.
2 was also selling the long distance product?

3 A. Yes. And maybe a year, a year and a
4 half after I started, I became aware that there
5 was a Business Options. And at that time, the
6 company was not a carrier, but like an agent that
7 sold long distance for another company in
8 California. I don't remember that company's
9 name.

10 Q. Did there come a time when Business
11 Options began selling its own product?

12 A. Yes. They were licensed as a carrier,
13 I believe, in 1996 or 1997.

14 Q. And when you say "licensed," what is
15 it that you're referring to?

16 A. What happened was, they hired an
17 attorney and a company to write tariffs and that
18 kind of thing. And they went out and got their
19 license in each state and with the FCC.

20 Q. So in one sense, when you used the
21 term "license," you're referring to the authority

Page 13

1 to sell Business Options' product in a particular
2 state?
3 A. Exactly.
4 Q. And that process had to be repeated
5 for however many states in which Business Options
6 wanted to sell its product?
7 A. Yes.
8 Q. Were you involved in any way in
9 obtaining -- preparing the tariff for Business
10 Options at this point in time?
11 A. No.
12 Q. Were you involved in any way in the
13 filing of such tariffs?
14 A. No.
15 Q. Did there come a time when you did
16 become involved in preparing tariffs for Business
17 Options?
18 A. Yes. At some point -- I don't
19 remember the exact dates, I believe it was in
20 1998 -- I was moved out of the operations aspect
21 of the company and into what was called

Page 14

1 establishment, which meant that I was over the
2 regulatory area of the company.
3 Q. I may have skipped over something.
4 When this employment agreement was executed, had
5 you previously been involved in Business Options?
6 A. Previous to this, no.
7 Q. "This," meaning the employment
8 agreement?
9 A. Yes. I was not involved.
10 Q. So after the employment agreement, you
11 became involved with Business Options?
12 A. As I recall, yes.
13 Q. Now, if you could sort of paraphrase
14 for us -- not the entire document, of course --
15 but what you understood your basic
16 responsibilities to be as a consequence of
17 signing this agreement.
18 A. Basically, the agreement was signed to
19 ensure that, first of all, I was going to be
20 there for an extended period of time. And
21 secondly, that I was going to take training that

Page 15

1 Kurtis wanted all the executives to get trained.
2 My duties were not really set forth in this
3 document as much as -- later, we sat down and
4 worked on that kind of thing. For the most part,
5 this document was written to ensure that if
6 Kurtis was going to put money into training me
7 for the job, I was going to be there for an
8 extended period of time.
9 Q. Initially, what is it that you were
10 supposed to do in connection with this agreement?
11 A. Basically, Kurtis wanted his staff to
12 take classes that were presented at the Church of
13 Scientology in Chicago. And they were management
14 classes. And he wanted to be clear with everyone
15 why he wanted you to take them because they
16 effected your position. And he wanted you to
17 show that you were willing to go and take them.
18 Q. In addition to taking classes, what
19 other job duties did you have?
20 A. At the time when I was transferred
21 over, we had a telemarketing program. And a big

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1 part of the job was staffing. That was the most
2 important thing. Secondly, I was given a TV
3 box full of envelopes that were reports and
4 documents from each state and the Federal
5 government that concerned our regulatory affairs.
6 And I was to organize and straighten that out and
7 do any reports that came in and that needed to be
8 filled out.
9 Q. Do you know who it was that had
10 responsibility in the area that you just
11 described?
12 A. Before me?
13 Q. Yes.
14 A. I know that the regulatory information
15 was handled by Kurtis's assistant Liz, I don't
16 remember her last name. And the personnel issues
17 were handled by Scott Clampett (phonetic), who
18 was the vice-president of establishment before
19 me.
20 Q. So there were aspects of the jobs of
21 those two people that you just mentioned, Liz,

Page 17

1 whatever her last name is and Scott Clampett,
2 that you took over?

3 A. Yes.

4 Q. In terms of the state and Federal
5 regulatory matters that you had to now take
6 responsibility for, what background, if any, did
7 you have in dealing with state regulatory
8 agencies?

9 A. None.

10 Q. What background, if any, did you have
11 in dealing with the Federal Communications
12 Commission?

13 A. None.

14 Q. What background did you have in terms
15 of researching state regulations concerning the
16 operation of telephone resalers?

17 A. None.

18 Q. What background did you have in terms
19 of researching Federal regulations dealing with
20 telephone resalers? And by "telephone resalers,"
21 I mean long distance resale. Speaking only in

Page 18

1 the context of the business in which this company
2 operated.

3 A. I did not have any.

4 Q. As a result of -- following the
5 signing of the employment agreement, were you
6 given any training with respect to how to be --
7 how to know what Federal regulations effected
8 what you were doing? Were you given any training
9 as to what state regulations would effect what
10 you were doing?

11 A. No.

12 Q. These were basically things that you
13 were expected to learn on your own?

14 A. Yes. I was given the box and told to
15 organize it. And I was expected to figure it
16 out.

17 Q. Here's a problem, run with it.

18 A. Yes. I think that the mind set was --
19 my mind set at least was, when something came in,
20 I would handle it and get it back out. And
21 that's what I did.

Page 19

1 Q. So for example, if an envelope came
2 from a state that said, "We need report X," that
3 would be given to you to handle?

4 A. Yes.

5 Q. And by "handling," it would mean,
6 determine what had to be filled out --

7 A. Try to find the information that was
8 needed and send it back in.

9 Q. And what if there involved a payment
10 of money?

11 A. It depends on how much money. If it
12 was a nominal sum, then I could approve it.
13 Anything over maybe \$200, then I have would have
14 to go to Kurtis to get approval.

15 Q. How long a period of time was that
16 situation in place?

17 A. That number fluctuated, but that was
18 basically the deal until I left the company.

19 Q. So basically, it was like an unwritten
20 company policy?

21 A. I think it actually, at one point, was

Page 20

1 written. Any sizable amount of money, we had to
2 talk to Kurtis about. Because he was really in
3 charge of all of the, you know, the scheduling
4 and budgeting and all that for the company.

5 Q. In other words, not to commit the
6 company to some payment in excess of \$200 without
7 at least Kurtis knowing about it?

8 A. That's correct.

9 Q. And that situation existed at least
10 from the time of the employment agreement to the
11 time you left?

12 A. Yes.

13 Q. Did there come a time when your -- the
14 duties that you just described to me expanded in
15 any way?

16 A. As we moved along, our telemarketing
17 crew expanded from about six people to 80. So my
18 duties as far as HR expanded greatly. And my
19 duties concerning regulatory issues really
20 remained at a point where when something came in,
21 I handled it or I had someone working for me

Page 21

1 handle it. But never really elevated until maybe
2 five or six months before I left the company, I
3 was taken off of the post that handled human
4 resources and just handled legal stuff.

5 And at that point, I had a little more
6 time to kind of go through and research what was
7 going on. And discovered a few things that we
8 were not doing. But until then, I just never had
9 the time to do it. Really the concentration on
10 what I was doing everyday was making sure we were
11 fully staffed. And with a telemarketing crew of
12 40 people per shift, that was a full-time job
13 requirement. There's just a ton of turnover.
14 And we constantly were recruiting, hiring,
15 firing, going through that kind of stuff. So I
16 was very busy doing that.

17 Q. There was a time -- at least one
18 aspect of your job, involved hiring and firing
19 telemarketers?

20 A. Very much so.

21 Q. With respect to the hiring of

Page 22

1 telemarketers, did you make the personal decision
2 whether or not a particular telemarketer should
3 be hired?

4 A. Yes.

5 Q. For what period of time did you do
6 that, roughly?

7 A. Five years.

8 Q. Beginning approximately?

9 A. Probably six months after I signed
10 this agreement.

11 Q. So sometime in early 1998?

12 A. Yes.

13 Q. And that situation existed until early
14 to mid 2002?

15 A. Yes.

16 Q. Did you have any assistance or help in
17 terms of whether or not to hire particular
18 telemarketers?

19 A. I did off and on. I would have
20 somebody in personnel who would do that for me or
21 with me. I think for the longest period of time

Page 23

1 was maybe six months. Shortly before I left the
2 company, I had a full-time director of personnel.
3 But most of the time that I was there, I would
4 have one or two administrative assistants. And
5 they would handle getting the paperwork done,
6 getting tax forms signed, that kind of thing.
7 Maybe they would be on the computer looking up
8 numbers for me to complete reports for regulatory
9 issues. And I would do the rest of the work.

10 Q. At this point, I'm only going to --
11 for a while, I'm only going to focus on the
12 personnel aspects of things that you described.
13 And so basically, you hired and fired
14 telemarketers. Was there anybody else that you
15 hired or fired?

16 A. I hired and fired the entire staff
17 with the exception of managers and executives.
18 And an executive level person, Kurtis and Keanan,
19 would typically -- I would interview once. And
20 if I thought they were okay, they would interview
21 with one of the two owners. And they would make

Page 24

1 a final decision. Usually they would get my
2 opinion and they would make the call.

3 Q. In terms of hiring and firing
4 telemarketers, that decision usually ended with
5 you?

6 A. Yes.

7 Q. Was there ever an occasion where it
8 ended with somebody else?

9 A. There were many occasions when a sales
10 manager would say, "This guy has got to go." And
11 I would trust his opinion that the person had to
12 go. Or another manager would be involved in the
13 situation. And, you know, my policy always was
14 that I would support my managers. So if they
15 came down and said, "This guy is terrible, he's
16 got to go today," he would usually go. I would
17 take a look at his personal file. If he had, you
18 know, any kind of problems, violations, whatever,
19 we would let him go. So I could have, in theory,
20 said, "No. He's not going." But I never felt a
21 need to do that because that kind of undermines

Page 25

1 your manager. So for the most part, I did make
2 all those decisions.

3 Sporadically, I would have somebody
4 doing interviews for me or part of the interviews
5 and hiring. But I was usually the final word on
6 it.

7 Q. You mentioned sales managers. Can you
8 identify at least some, if not all, of the sales
9 managers who worked for you?

10 A. Llewellyn Gray, Kimberly Perfetti
11 (phonetic). For a while, Keanan Kintzel served
12 as a sales manager. Mike Norville, Kathy Olive
13 (phonetic). Those were the ones who were there
14 for a period of time long enough for me to know
15 their name.

16 Q. There was fairly high turnover in that
17 job as well?

18 A. Not as much as the other jobs. But,
19 you know, most of those people were there for a
20 long period. Llewellyn Gray worked several jobs
21 for the company. He was with the company before

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1 I started and there for a couple of years while I
2 was there. And Kimberly Perfetti was promoted to
3 be his boss. And when he left, she kind of
4 stepped down as the sales manager. And, you
5 know, we would have people that might stay with
6 the company, but being moved from that position
7 back and forth. But there was, you know -- it's
8 fairly a high turnover in sales everywhere, I
9 think, unless you're really, really good at it.
10 I don't think we ever had anyone who was really,
11 really good at it.

12 Q. When you started to work for Business
13 Options, where was the physical location of your
14 office?

15 A. Valparaiso, Indiana.

16 Q. And did there come a time when the
17 office location changed from Valparaiso?

18 A. Yes.

19 Q. Approximately when?

20 A. The way that it was set up was that we
21 had sales in Merrillville here at our office and

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1 the executives in Valparaiso. And at some point,
2 and I don't honestly remember, probably within
3 six months of me signing this agreement, I was
4 moved back to Merrillville to generate a sales
5 force. We had three or four people selling at
6 the time. And I was told to hire enough and get
7 a 25-person crew in there. And I moved back
8 myself and the sales manager Llewellyn Gray. And
9 we managed the Merrillville office and brought in
10 the number of people that we had.

11 Q. So the move to Merrillville, more or
12 less, was related to an increase in the number of
13 staff to sell the product?

14 A. Yes.

15 Q. The product being Business Options'
16 long distance telephone service?

17 A. That's correct.

18 Q. Did you have any responsibility in
19 determining what, if anything, the telemarketers
20 should say to prospective customers?

21 A. Not at that point, no.

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1 Q. Who did?

2 A. I don't know. I would imagine Kurtis.

3 Q. As I said, it's fair to say you don't
4 know if you don't know. Did they have a written
5 script to operate from?

6 A. Yes.

7 Q. That script was given to you?

8 A. No. Given to the sales manager.

9 Q. Given to the sales manager. Were you
10 asked to determine, in any fashion, whether the
11 sales script was in accord with state
12 regulations?

13 A. No.

14 Q. Were you asked to determine whether or
15 not the sales script was in accord with Federal
16 regulations?

17 A. No.

18 Q. Were you ever asked to determine
19 whether the sales script was consistent with
20 state regulations?

21 A. Later on, I was.

Page 29

1 Q. Approximately when?

2 A. Sometime in 2000 maybe.

3 Q. Who asked you?

4 A. Kurtis asked me to do so. The reason

5 being, we were working on obtaining a new billing

6 clearinghouse to bill through. And they required

7 certain verification scripts and sales scripts

8 that you use. And at that point, to become

9 within the state parameters. And their

10 parameters, I was asked to write those scripts.

11 Q. What parameters did you have to work

12 with?

13 A. The billing companies sent over just a

14 line item, these things have to be on your

15 script. And that way, they'll fulfill the

16 obligations of the state Governments and our

17 obligations. Basically, I wrote scripts that

18 matched step by step what they wanted.

19 Q. Was there ever a time when you looked

20 at the script in conjunction with what appeared

21 in Federal regulations?

Page 30

1 A. No. Not that I recall.

2 Q. Do you recall ever being asked to do

3 that?

4 A. No.

5 Q. With respect to verification scripts

6 as opposed to telemarketing scripts, were you

7 ever asked to determine whether or not

8 verification scripts were in accord with Federal

9 regulations?

10 A. Yes.

11 Q. Approximately when?

12 A. Again, 2000, 2001.

13 Q. And by whom were you asked?

14 A. Kurtis.

15 Q. And how did you go about determining

16 that verification scripts were in accord with

17 Federal regulations?

18 A. I went to the public library and got

19 the statutes concerning verifications for long

20 distance. And basically tried to paraphrase what

21 was in the statute concerning what was required

Page 31

1 to verify.

2 Q. And by "statute," are you thinking of

3 the communications act?

4 A. Uh-huh.

5 Q. Are you also thinking of the Code of

6 Federal Regulations?

7 A. I'm not sure.

8 Q. Let me show you one of our wonderful

9 little books here. This is -- because this was

10 revised as of October 1, 2002, this certainly

11 concerns a period that post dates what you've

12 been talking about. But in terms of the basic

13 framework itself, what I'm going to show you is

14 section 64.1120 of the Commission's rules that's

15 found in 47 Code of Federal Regulations. I'm not

16 going to ask you to study it, but just glance

17 through it.

18 A. Okay. This looks very familiar. This

19 is what I looked at.

20 Q. So you recall having looked at least

21 something similar to what I showed you?

Page 32

1 A. Yes.

2 Q. And this was the research that you

3 personally did at the local public library?

4 A. Uh-huh.

5 Q. I didn't ask this before, but you do

6 not have a law background, do you?

7 A. No.

8 Q. In other words, you don't have a law

9 degree?

10 A. No.

11 Q. Do you have any paralegal training?

12 A. No.

13 Q. With respect to what you did in

14 connection with the verification script, that is,

15 preparing it on the basis of what you saw in the

16 Federal regulations, did anybody review your

17 product?

18 A. I'm sure that Kurtis and Keanan did.

19 I don't remember which one specifically. Anytime

20 I did a script, I had to show it to somebody

21 before I could issue it to somebody.

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1 Q. What happened after you prepared the
2 script in terms of where did it go next?
3 A. Next, it would go to the sales manager
4 and to whichever verification company we were
5 using at the time. And also before I would give
6 it to anybody, I would issue it to the billing
7 clearinghouse and I would get their approval
8 first. Because if they didn't approve of it, we
9 couldn't use it. That was really a regular step
10 for me on sales or verification scripts, getting
11 the billing clearinghouses approved.

12 Q. Was there more than one billing
13 clearinghouse that was used?

14 A. We used two that I remember. One was
15 USBI, and that was -- we were using them when I
16 started doing the regulatory work. We also used
17 another one, I'm not sure of its name. HBOS
18 maybe, that sounds familiar. And then we went
19 back to USBI.

20 Q. Do you recall whether or not you
21 received written approval from either of the two

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1 billing clearinghouses that you mentioned?

2 A. I don't remember how they approved
3 them. It may have been as simple as just a phone
4 call, "That's okay, go ahead and use it." I
5 don't remember specifically.

6 Q. With respect to the verification
7 companies, what verification companies were you
8 aware of that Business Options used?

9 A. Well, there were several. When I
10 started out, we were doing it internally. I
11 don't remember the girl's name that was doing it.
12 But we had a staff in there that was doing it.
13 And then when we became aware that it was
14 supposed to be a separate entity, we set up a
15 girl in business to do it for a while. And she
16 was separate from the company. And then it was
17 brought back into the building. And I think
18 Keanan ran it for a while. I think he was
19 working for Dreamquest at the time. And then
20 when he came into the Business Options, we
21 basically set up an employee in business, Tony

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1 Lowe (phonetic) and his company was A&M
2 Verifications. We used them for a couple of
3 years. And then we had some trouble and they
4 left. And then we had our accountant doing it.
5 And that was F&S, maybe, Verifications. But he
6 was doing it when I left.

7 Q. I think we've seen it described as
8 F&G.

9 A. F&G.

10 Q. Or maybe F/G.

11 A. Something like that. I know
12 Furmankiewicz because that's our accountant's
13 last name, but I don't know who --

14 Q. Who the "G" is?

15 A. Yes. I don't know the other. But
16 that's how we did it. And we always had it --
17 with the exception of the girl who we set up,
18 because we set her up in a different building and
19 we were faxing orders to her. And for a while,
20 U.S. Republic did it, but that was on a separate
21 product. But they were usually in our building

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1 so we could walk orders down to them.

2 Q. In terms of the employees that the
3 entities that were in the same building as you,
4 where did those employees come from?

5 A. For the most part, they were either
6 hired or directed there by me. But when A&M was
7 doing it, he did his own hiring and recruiting.

8 Q. Roughly what period of time was A&M
9 the verification company for Business Options?

10 A. 2000, 2001, somewhere in that calendar
11 area.

12 Q. Was there ever a point in time where
13 an entity called Great Lakes Verification Company
14 was used?

15 A. I believe that's the company that
16 Keanan ran, Great Lakes. And it may have been
17 the name of who was doing it when I started. But
18 I -- at first, I really didn't have anything to
19 do with -- all I did was recruit people. And I
20 worked on the regulatory stuff. I didn't really
21 have much hands-on with verification or sales.

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1 So I don't really recall the names that well.
2 Q. This is a document that bears a date
3 of April 2, 1998. So in terms of the timing,
4 it's about roughly ten months after this
5 employment agreement is dated. And it bears Bate
6 Stamp Numbers 00850. And I would just ask you to
7 look at it. And then I will ask a question or
8 two about it.

9 (Witness Reviewing Document).

10 Q. Have you ever seen this document
11 before today?

12 A. I don't remember ever seeing it.

13 Q. In the second sentence, which reads,
14 "On Friday, 27 March, legal forwarded a state
15 form for requiring current officer information.
16 Officers are set forth as follow: President,
17 Kurtis J. Kintzel; Secretary, Kimberly J.
18 Perfetti; treasurer, William C. Brzycki." The
19 reference there to legal, do you know who that
20 would be?

21 A. Me.

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1 Q. That would be you?

2 A. The department, I believe, is titled
3 "Regulatory Affairs," but was considered in the
4 company legal. If something were to come in, it
5 would be given to me if sent by any attorney or
6 Government entity.

7 Q. The references at the top right where
8 it has -- it looks like DI&R, what does that
9 mean?

10 A. Director of inspections and reports.

11 Q. And what is that?

12 A. That is a department in the company
13 that whenever anything is going on that is off of
14 policy or unethical or someone is not doing their
15 job, they would send a report to that department.
16 That department would investigate it and figure
17 out what's going on and straighten it out.

18 Q. And underneath it where it says COB
19 COMM, what does that represent?

20 A. Chairman of the board communicator.
21 Communicator is the title of basically the

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1 administrative assistant or secretary, that
2 person is the line of defense before you would
3 get to the chairman of the board. Anything that
4 you that you wanted to communicate with them
5 about, you would give it to her. And she would
6 forward it to him based on whether or not she
7 felt it was important enough for him to see it.
8 And if she did not, she would handle it and send
9 it back out.

10 Q. And then in terms of the cc's, it has
11 COB PRES and then EXEC ESTO, what is that?

12 A. COB is chairman of the board. EXEC
13 ESTO is the executive establishment officer. The
14 executive establishment officer would be the
15 person in the company who goes around and gets
16 everything set up for new employees and also
17 ensures that the job descriptions for a person
18 are written and they get trained on the company's
19 policies and procedures. And also that they get
20 any required training that might have to occur
21 outside the company.

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1 Q. In terms of who the people might be at
2 this point in time to April '98, would I be
3 correct that COB would be Kurtis?

4 A. Yes.

5 Q. And who would the president be?

6 A. I think that's too soon for the
7 president to be Keanan. The president might also
8 have been Kurtis at the time. The only president
9 we've ever had besides Kurtis is Keanan, but I'm
10 not sure that he was president in '98.

11 Q. And then the EXEC ESTO?

12 A. Sherry Perfetti.

13 Q. That's somebody different from
14 Kimberly Perfetti?

15 A. That is Kimberly Perfetti's aunt.

16 Q. In terms of the information that
17 appears toward the bottom when it talks about the
18 different states. The first point is concerning
19 the annual report for Ohio. The second, an
20 annual report for South Dakota. Third, a city
21 license for Chickasaw, Alabama. The fourth,

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1 concerning the Oklahoma tax commission. What is
2 the import of that information?
3 A. Basically, what she's saying is that
4 something was filled out incorrectly and it
5 should be straightened out. Or was routed to the
6 wrong person or something. And then she's trying
7 to detail out everything that was sent with it.

8 Q. And in terms of KJ Perfetti, what is
9 her role in the larger scheme of things at this
10 point in time?

11 A. She was basically Kurtis's
12 administrative assistant.

13 Q. I'm going to show you a document Bate
14 Stamped pages 01139 and 01140. They appear to
15 bear a date of 4-15-98. And I'd just ask you to
16 glance through it. And if you can, tell me what
17 this document is.

18 A. This looks like instructions to my
19 assistant on handling complaints that come in.

20 Q. So that's your handwriting?

21 A. Yes.

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1 Q. And Heather is your assistant at that
2 time?

3 A. Uh-huh.

4 Q. And in the upper left-hand corner
5 where it has DIR department one, is that your
6 department?

7 A. That's one of the departments that was
8 underneath me. The way that our -- that their
9 board was set up was that the vice-president of
10 establishment was over parts of the division
11 seven, division one, division two. And division
12 one helped department one, two, three, division
13 two, four, five, six.

14 Q. And what do those numbers represent?

15 A. Each department has a different
16 responsibility. Department one was basically
17 personnel. Department two was inspections and
18 reports that we discussed earlier. I don't
19 really remember what the rest of the departments
20 were. Division two was marketing, which we
21 didn't do a whole lot in. It was like

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1 publishing, that kind of thing. And division
2 seven was for regulatory affairs. So all the
3 legal stuff was in there. I used to know all the
4 names of all the departments, but as you leave,
5 you try to forget that stuff.

6 Q. Are you using division and department
7 interchangeably?

8 A. No. They're different. A division
9 holds three departments. So the way it's set up
10 is, the vice-president runs three divisions. A
11 manager runs three departments within a division.
12 And then a director would run one department.
13 Typically, what I had was myself as the
14 vice-president and maybe a department had an
15 administrative assistant.

16 Q. And so your responsibility at about
17 this point in time, April of '98, was over more
18 than one department?

19 A. Yes. Really seven or eight
20 departments.

21 Q. Okay. And then as far as divisions

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1 are concerned, again, it was more than one
2 division?

3 A. Three divisions. The division seven,
4 only partially. But basically those three
5 divisions. And there was always a need to --
6 after somebody had been there for a while, to
7 give them a title. So the director of department
8 one was the most common title that I would give
9 to somebody because that would enable them to do
10 interviews and help me out with hiring and firing
11 if need be.

12 Q. This document bears a date of April
13 15, 1998 and Bate Stamp Numbers 01138. What is
14 that document doing?

15 A. A compliance report is written
16 whenever an order request is given just to show
17 that you complied with it. Typically, this would
18 have been attached to a list of statistics or a
19 report that I had written or whatever. And this
20 is just showing that the PUC reports --
21 basically, we kept a record of how many were done

1 per week to track what you're doing. And at
2 staff meetings, we would go over our statistics
3 every week. I might say, you know, "This week,
4 we did five reports. We handled three
5 complaints. We fired three people. We hired 12
6 people." I would have a whole list of statistics
7 that I would go through.

8 Q. The upper left-hand corner, where it
9 has underlined CEO/EXECUTIVE COUNCIL, that means
10 you gave this report to those entities?

11 A. Yes. CEO was chief executive officer,
12 that was Kurtis. He held that and chairman of
13 the board. And executive council is the council
14 of upper-level executives, which would be
15 vice-presidents and above at that time. Which
16 would have included myself. Based on the time
17 line I'm not sure, but potentially Sherry
18 Perfetti, Kim Perfetti, and Kurtis. So when you
19 complied with an order from the executive
20 council, you would issue one of those notes to
21 each person.

1 Q. The executive council, did it meet
2 with any regularity?

3 A. On and off, it would meet once a week.
4 And that would probably last three to six months.
5 And then we probably wouldn't meet for a while.
6 Then we would go back to meeting weekly. The
7 purpose of the meeting really was to discuss our
8 statistics, how things were going in the company.
9 And for Kurtis to disseminate and information
10 that we needed to know. And if he thought
11 something needed to be done in your area, that's
12 where he would say, "Hey, why don't you get this
13 done this week or this done next week" or what
14 have you. A lot depended on how often Kurtis or
15 Keanan was in the office to run the meeting.
16 And, you know, just how things were going.

17 If things were going really well,
18 typically it wasn't as important to have a
19 meeting. Usually, it was more important to have
20 one when things weren't going as well so we could
21 try to straighten things out.

1 Q. In terms of the PUC reports during
2 this period, April of 1998, what is it generally
3 that you were supposed to do with respect to a
4 PUC report?

5 A. Typically, when something would come
6 in -- usually during that time of year, it was
7 probably annual reports. They would come in,
8 we'd fill them out and send them off.

9 Q. What was involved in an annual report?

10 A. They typically wanted your sales for
11 the year, the previous calendar year.

12 Q. They wanted to know the sales that
13 were done in that particular state?

14 A. Yes.

15 Q. For the proceeding calendar year?

16 A. Uh-huh.

17 Q. So typically, a report that would be
18 sent in the April, 1998 time range would deal
19 with the 1997 report of sales activity in the
20 particular state?

21 A. Yes. With the exception of -- there

1 were two or three states who required quarterly
2 information.

3 Q. How much time, ordinarily, would you
4 have to deal with such reports?

5 A. Most are due by the end of March.
6 There are some that are spread out even to June.
7 The problem that we had at that time was getting
8 information because it was a -- you had to do a
9 query in our database to get each month for each
10 state. And we had a really hard time getting the
11 information from our billing clearinghouse.
12 There's a chance that all of those were due in
13 January or February, but we just didn't have the
14 information to get them. So until probably 2000,
15 we just didn't have access to information
16 internally. So most often, those went out late.

17 Q. And that was almost entirely as a
18 consequence of your being unable to get the
19 accurate information you needed from the billing
20 company?

21 A. Yes. Because we did not have an

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1 internal database that we could run it on. We
2 had a -- like an Excel database that held our
3 customers. But we did not do any of the billing
4 or generation of the billing internally. Once we
5 started doing that internally, which, I think was
6 in 2000, then we could actually go into our own
7 database and find the information. It was real
8 easy. But previous to that, we would have to
9 make a call, get the information sent over. It
10 was just a very time-consuming process.

11 Q. But you ended up having to do that
12 state by state by state?

13 A. Yes. You had to do at least two
14 reports per state. One for whatever the
15 commission was on your sales. And one to the
16 secretary of state, usually just a general
17 information report. And then some states want,
18 you know, for the department of taxation, for the
19 department of revenue. Some states, you did five
20 or six reports a year. Some states, you did one
21 or two. And then you had to do the USF also

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1 monthly for eight or nine states.

2 Q. Some of the individual states had USF
3 obligations?

4 A. Yes.

5 Q. And by "USF," we're referring to
6 Universal Service Funds?

7 A. Yes. So we were doing those. We
8 didn't really start doing those until probably
9 '98 or '99 sometime. I don't remember exactly
10 when. But we didn't really have any information
11 on that when I started. So that was something --

12 Q. How did you become aware that the
13 states that you -- the eight or nine states had
14 Universal Service obligations?

15 A. They sent us a letter asking where
16 their reports were. We went back and got the
17 information in the reports and sent them in and
18 started doing it on a monthly basis. Some were
19 quarterly if you didn't have much usage. And we
20 never had very many customers in Montana. But
21 until they send us a notice saying, "Hey, where's

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1 our report," we didn't know that they got a
2 report.

3 Q. Or that they needed a report?

4 A. That's correct. I guess we thought
5 that mysteriously they were figuring it out on
6 their own or something. Not really knowing the
7 industry, it just didn't occur. But we were
8 supposed to be sending --

9 Q. So this is one of the great mysteries
10 of life, every once in a while, the right hand of
11 a governmental agency will communicate with the
12 left hand?

13 A. Yes.

14 Q. The next document I'm going to show
15 you has a Bate Stamp Numbers 01133. And it's
16 dated 11 May '98. First of all, have you ever
17 seen the document before?

18 A. I don't recall it, but if it's written
19 to me --

20 Q. How would you be able to tell that
21 it's written to you?

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1 A. It's addressed to VP Establishment,
2 which was me.

3 Q. That was your title at the time?

4 A. Uh-huh.

5 Q. So in all likelihood, you would have
6 received this document?

7 A. Yes.

8 Q. What is the document informing you
9 about?

10 A. It looks like it's requesting specific
11 numbering on a contract. I think based on the
12 date, this would be the timing for the young lady
13 that we set up externally in business to do
14 verifications. We faxed orders to her. I was
15 probably working on the contract. And he wanted
16 specific language in about us having permission
17 to request that she get rid of people who weren't
18 doing their job. That's what it looks like, but
19 I don't specifically recall.

20 Q. But you have some recollection of
21 being involved with a contract of some kind with

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1 a verification company?

2 A. Typically, any contract we did after
3 '98 or during '98 and after, I would rough draft
4 at the minimum, give it to Kurtis or Keanan,
5 whoever requested it. They would red-pen it.
6 And then I would finalize it. And then it would
7 be used for whatever purpose.

8 Q. Your recollection, though, is that
9 there was a written contract between Business
10 Options or U.S. Bell and a verification company?

11 A. I don't actually recall specifically,
12 but we did contracts with everybody.

13 Q. By doing contracts, you're referring
14 to written contracts?

15 A. Yes.

16 Q. As opposed to oral contracts?

17 A. Uh-huh. Always a written agreement.

18 Q. We're fast-forwarding more than a year
19 here, so keep that in mind when you look through
20 this. This document bears a date of 9-22-99.

21 And if you could just glance through it. Bate

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1 Stamp Numbers 00866 and 00867.

2 A. This looks familiar.

3 Q. First of all, is this a document that
4 you prepared?

5 A. Yes.

6 Q. And we can tell that because?

7 A. Whenever you prepared a document, you
8 wrote who it was to and then a line and who it's
9 from. And my title changed from VP establishment
10 to VP administration at some point.

11 Q. So sometime between May of 1998 and
12 September of 1999, your title changed?

13 A. Yes. I didn't change positions, just
14 the name of the title.

15 Q. And in terms of EC members, that would
16 be the executive council?

17 A. Uh-huh.

18 Q. And in September of 1999, who would
19 that have been?

20 A. Sherry -- not Sherry, but Kim
21 Perfetti, George Vasquez, Kurtis, Keanan and

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1 myself. Possibly other people here and there,
2 but that was the core group.

3 Q. And other than Kurtis and Keanan, what
4 were the other persons involvement or
5 responsibility at that time?

6 A. George's title was vice-president of
7 operations and he ran our treasury and quality
8 control in our delivery areas. And Kim was
9 vice-president of sales.

10 Q. And Kurtis was always the head person?

11 A. Kurtis was always in charge and Keanan
12 was typically the president or the second.

13 Q. This mentions U.S. Bell. Am I to take
14 it from the date of the document and the mention
15 of U.S. Bell, that U.S. Bell has or has not come
16 into existence at this point?

17 A. Looking by what it says, that it
18 hasn't yet. But I'm not positive on the date.
19 What we did is, Kurtis and Keanan came up with a
20 name that we thought would be more
21 telecommunications familiar to customers. And I

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1 did some research, just kind of internet research
2 looking for the name. And we had a girl who was
3 working for us who was going to school to be a
4 lawyer at Valparaiso University. And she did a
5 little research also. We found out later that
6 that wasn't enough research, but that's how we
7 researched the name. And we felt that it was
8 clear enough that we could use it at the time.

9 Q. What name was being used at that time?

10 A. Business Options.

11 Q. And what was the problem using the
12 name Business Options?

13 A. What we were running into was our
14 sales people calling and saying, "Hi, I'm
15 so-and-so from Business Options." And they'd
16 say, "This is a residence, not a business." And
17 then they'd have to explain, "Well, that's just
18 the name of the telephone service." "Well, but
19 I'm not a business." Most of people that they
20 were talking to just thought it was the name of a
21 loan company or a company that only serves

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1 businesses or what have you. But they did get
2 out of that name long distance company or
3 telephone company or whatever.

4 We went through probably 100 names
5 just trying to get something that sounded like
6 when you call and say, "I'm so-and-so from this
7 company," it sounded like a long distance
8 company. So that's why we went with U.S. Bell.

9 Q. So did there come a time when the
10 sales script changed in order to reflect a change
11 from Business Options to you U.S. Bell?

12 A. I don't think it did. Because shortly
13 after we became U.S. Bell, we got a call from
14 Southwestern Bell. And they didn't have a very
15 keen appreciation for us using the Bell name. So
16 I was in the midst of getting U.S. Bell licensed
17 and we stopped it. We used U.S. Bell as the
18 company name, but we maintained the Business
19 Options' service. So I don't remember if the
20 script changed or not. It may have changed to
21 "I'm calling from U.S. Bell, we're interested in

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1 providing you with Business Options' long
2 distance service." I don't specifically
3 remember.

4 Q. And even if that occurred, it was
5 probably short-lived because of the objections
6 that you received?

7 A. Yes. We had to figure out another
8 name after that. If memory serves, what we did
9 is switched to U.S. Bell as a corporate name like
10 on the first of the next year. It was licensed
11 just as a company corporation.

12 Q. Again, when you're talking about
13 licensing, you're talking about a number of
14 steps. One, being first getting it incorporated.
15 Second, being authorized to do business in a
16 particular state?

17 A. Uh-huh. And U.S. Bell, getting
18 incorporated and licensed to do business in
19 Indiana. We began the process of getting
20 licensed as a long distance carrier, but that was
21 cut short.

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1 Q. Were you aware that tax returns for
2 the period after U.S. Bell came into existence
3 reflected that the majority, if not the entirety,
4 of the income that was generated as a consequence
5 of selling Business Options' product was reported
6 as income for U.S. Bell?

7 A. No.

8 Q. You were never aware of that?

9 A. I was aware of that later, but not at
10 that time. I started looking over tax returns
11 and that kind of thing sometime in late 2001.
12 And that's when I figured that out.

13 Q. And how was it that you came to look
14 the at those returns?

15 A. When we started having Furmankiewicz &
16 Associates do our tax returns for us. And when
17 that started, shortly after, they wanted someone
18 in the company to take a look at them before they
19 went out. And when that was instituted, I was
20 the person who started looking at them.

21 Keanan was serving that purpose

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1 beforehand. And Keanan became ill and was no
2 longer available to do it. He was out of the
3 office for a long period of time, as much as a
4 year. And then when he came back, he was part
5 time. Even until I left, he was still part time.
6 So somebody had to do it. And Kurtis's schedule
7 was irregular, so they had me do it.

8 Q. I take it there did come a point in
9 time when you noted that tax returns for U.S.
10 Bell reflected sizable amounts of income?

11 A. Yes. I'm sure that I did.

12 Q. Did you ask any questions of anybody
13 as to why U.S. Bell was reporting that kind of
14 income?

15 A. I think that I asked accountants what
16 the difference was. And they kind of said,
17 "Well, this is the way we need to do it." And I
18 accepted that. Not really knowing -- the way the
19 corporation was set up, what I always said was
20 that if we're starting a new corporation, they
21 should be completely different than the old

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1 corporation. And they said, "No. You can't do
2 that." And I don't really know enough to
3 disagree with them.
4 Q. And in terms of who you were talking
5 with, was it anybody other than Alan
6 Furmankiewicz?
7 A. With Alan or his assistant, I don't
8 remember his name. One of those two guys.
9 Q. Whoever the assistant was?
10 MR. HAWA: G?
11 A. Yes. It was probably G.
12 Q. The mysterious G.
13 A. I just don't remember his name. But
14 it was one of those guys. Having Avatar and four
15 or five other companies, it was enough for me
16 just to try to keep it straight the way it was.
17 To try to delve into the accounting of it was
18 really going to be beyond me. So I didn't have
19 any desire to do that.
20 Q. It could have been so much fun.
21 A. It would have been really confusing

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1 for me. Because I believe that the way it was
2 set up, that's where the money went. Like when
3 we would get income, it would go into the U.S.
4 Bell account or something like that.
5 Q. Even though on a customer's telephone
6 bill, it would reflect that he or she was paying
7 for Business Options' service?
8 A. Uh-huh.
9 Q. And did that seem odd to you that the
10 company would bill in the name of Business
11 Options, but the income would be reported as U.S.
12 Bell?
13 A. The way it was explained to me is that
14 U.S. Bell was set up to use Business Options'
15 tariffs and licenses. As if they -- like they
16 licensed a patent, something of that nature.
17 Q. Who provided that explanation?
18 A. I don't remember. It might have been
19 Al or whoever his name was. I don't remember
20 that.
21 Q. I want to show you a document that, by

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1 enlarge, appears to be undated. It's Bate
2 Stamped pages 01096 through 01099. I'd just ask
3 you to glance through it.
4 A. It looks familiar.
5 Q. Is it a document that you prepared?
6 A. Yes.
7 Q. What is it?
8 A. A program is basically a list of steps
9 to accomplish a goal. And this was steps to
10 eliminate these companies, basically, and do a
11 complete change over to -- it looks like my
12 intention was to U.S. Bell.
13 Q. When you say "eliminate these
14 companies," what are you referring to?
15 A. Business Options, Crusade
16 Communications and Super Comm. Basically, the
17 purpose was to close those companies. And
18 everything within our corporate entity become --
19 it looks like Avatar is on here, I don't think I
20 wrote that there.
21 Q. Do you recognize any of the

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1 handwriting that appears?
2 A. Yes. It's Keanan's handwriting. The
3 "dones" that are written in are Keanan's
4 handwriting. It doesn't look like I -- all the
5 handwriting that's written in is Keanan's. It
6 looks like I prepared it and submitted it. And
7 then he worked through it. And he made some
8 changes, handwritten changes. We did that on a
9 regular basis for -- any time we were trying to
10 reach a goal or complete a task that was more
11 than one thing to do to complete the task, we
12 would run out of programs. So we had things
13 listed out. That way, you could also give other
14 people responsibility for certain aspects.
15 Q. So on the first page, 01096 underneath
16 topic number one where it says "Complete
17 Dissolution of Indiana Incorporated Crusade
18 Communications," there's some handwriting
19 underneath it. And it looks like "one and a
20 half." And then it has "Avatar Ent. Inc.," I
21 take it that refers to Avatar Enterprises Inc.

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1 And it has "done." And it's underlined. And
2 there's a date, it looks like 10-14. And there
3 are -- it looks like COO.

4 A. Chief operating officer.

5 Q. Which was?

6 A. Keanan.

7 Q. So Avatar Enterprises came to be at
8 about sometime in October or around October of
9 1999?

10 A. To be honest with you, I don't
11 remember because I wasn't involved in that. I
12 don't know if it was '99 or 2000.

13 Q. What was the point of having Avatar?

14 A. As I recall, Avatar was just to be the
15 parent company of all of the others. And it was
16 a company from which -- the goal of Kurtis and
17 Keanan was to open many companies and to have
18 each one doing a different -- just a different
19 business maybe. To have one long distance
20 company and one company that was selling
21 something else and something else and something

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1 else. All these companies would fall under the
2 Avatar umbrella.

3 Q. This is a document that has a date of
4 2-29-00. And first question is, do you recognize
5 the document?

6 A. I don't specifically recall it, but it
7 looks like something I would have written.

8 Q. I hadn't mentioned this before, it's
9 Bate Stamped number 00880. And so in terms of
10 your authorship, that would be determined by --
11 in the upper left-hand corner underneath the --
12 underneath the underline where it appears "VPA"?

13 A. Yes.

14 Q. That would ordinarily be you --

15 A. Yes.

16 Q. -- at this point in time?

17 A. Uh-huh.

18 Q. The DIR I&R above the underline, I
19 think you explained before what that represented.
20 But if you could --

21 A. Director of inspections and reports.

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1 The purpose behind such, being, that person
2 receives reports like this and investigates it
3 and finds out why the problem occurred. And that
4 person is also responsible for going around and
5 inspecting the company. Also people that sit
6 down with you and say, "Okay. Tell me what your
7 job is. Tell me how you do it." If you don't
8 understand that, then you need further training
9 in your job.

10 Q. And basically, the report suggests --
11 to me, at least -- that there was some problem
12 locating a particular verification tape?

13 A. Yes.

14 Q. At about this point in time, why would
15 that be of any significance?

16 A. Whenever we would receive a complaint,
17 we would send a copy of the verification to the
18 PUC just to show them that the person was sold
19 and the -- it was verified on tape, as it was the
20 law to do so. And we purposely sent the tape off
21 with every complaint just to show them that we

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1 had it basically. This was still at the time
2 when documentation was a pain and was hard to
3 find. What you had to do is, we had a big
4 binder. And you'd go in and look for the date on
5 the binder. And then you might have to listen to
6 six tapes to find a verification.

7 So if they were off by one number, you
8 might have to listen to 18 tapes to get to one
9 verification. That's very time-consuming. And
10 that would make me very unhappy. The next thing
11 to do would be to write it up and make sure that
12 the people who were listing out the numbers would
13 do it correctly so you would have a better shot
14 at getting at what you want.

15 Q. So with respect to a tape, am I to
16 understand that at about this point in time,
17 February of the year 2000, there might be more
18 than one customer on a particular tape?

19 A. Oh, yes. They would run the tape.
20 You know, they were 60 or 90-minute tapes. And
21 there could be 20 on one tape. So they were --

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1 what they were supposed to do is, on an order,
2 identify the exact tape number and side. But if
3 they did not do that correctly, first of all,
4 you're looking through several hundred orders to
5 find that number. If it's not done correctly,
6 then it was very difficult to find anything. And
7 we just did not want to send off a complaint
8 without that tape. We didn't have to. We wanted
9 to show the PUC that we've got this tape and this
10 person was verified.

11 Q. Basically, am I to take it that you,
12 at least, understood that the company Business
13 Options was dead in the water, if you will, if
14 there was a PUC complaint relative to a
15 particular person and Business Options couldn't
16 locate a verification tape for that person?

17 A. There's no question in mind that we
18 were issuing a full refund for that. And that's
19 basically what we would do. If we couldn't find
20 it, we'd send a letter to the PUC that said we
21 can't locate the tape. And naturally, they would

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1 send a letter back that said we needed to issue a
2 full refund. And that's what we did. It's a
3 time-consuming issue just to do the tape
4 correctly. To get it taped, to get it
5 documented. And then, you know, just the fact
6 that knowing that it's somewhere in this room and
7 I can't find it, makes it that much worse. I
8 just felt like that it was pretty major.

9 Q. And as a consequence of this document,
10 do you know what happened?

11 A. More than likely, either myself or
12 another manager just went in there and ensured
13 that they were documented correctly. But it was
14 never completely correct. It got better and
15 better and better, but I don't think it's ever a
16 perfect system unless you're doing it digitally.
17 And that was always my request that we do it
18 digitally. And that way everything was
19 time-stamped and you could find it fairly easy.
20 But that was a pretty expensive purchase of
21 equipment to do so.

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1 Q. What technology was used at this
2 point?

3 A. Just tape recorders with -- tape
4 recorders that were plugged into the phone so
5 they would record.

6 Q. So then there would be cassettes?

7 A. Yes. They were using cassettes and
8 they would have a log in front of them. And they
9 would write down the customer name and the
10 cassette number. And that information would be
11 logged into the -- not at this point, but after a
12 certain date, it was logged into our computer
13 system. So you could look up somebody in the
14 database and see the date number and the
15 information.

16 Q. And at least when you left, the
17 cassette tapes were still being used?

18 A. Yes.

19 Q. Here's a document dated March 18,
20 2000. So it follows the document we just looked
21 at by less than three weeks. And I'd ask you to

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1 look this over. It has Bate number 00878. Do
2 you recognize this document?

3 A. No.

4 Q. In terms of who it is addressed to,
5 the VPA would be you?

6 A. Yes.

7 Q. The COO would be who?

8 A. Keanan.

9 Q. And in terms of the cc's, who were the
10 cc's?

11 A. CEO is Kurtis. VPO would have been
12 George Vasquez.

13 Q. What is it that Keanan was either
14 asking or ordering here?

15 A. We had, for some time, stored tapes in
16 boxes if they got too old instead of keeping them
17 out and visible. He wanted them out so you could
18 walk up to a rack and pick a tape off instead of
19 digging through boxes.

20 Q. Do you know whether or not whatever it
21 was that he requested here was done?

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1 A. I know it was done because we bought a
2 new set of racks that all the tapes could fit on.
3 I don't know if it was done in response to this
4 specific order, but I know that it did happen.

5 Q. In terms of a time frame, roughly
6 when?

7 A. I don't know, to be honest.

8 Q. But it occurred at some point under
9 your direction?

10 A. Yes. We may have -- yes. It did
11 occur, I know that. We had all the tapes out.

12 Q. The next document I'm showing you is
13 Bate Stamped 00858. And it bears a date of
14 6-23-00. Do you recognize the document?

15 A. Yes.

16 Q. It was generated by yourself?

17 A. Yes.

18 Q. And that's reflected in two places, in
19 the upper left-hand corner where -- under the
20 underline, there appears VPA, that would be you?

21 A. Yes.

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1 or what have you. The direct bill was done
2 without my input. And what happened was, they
3 generated bills for a bunch of customers that we
4 weren't supposed to bill.

5 So this was my note telling Kurtis
6 that we had to stop billing them period.

7 Alabama was one of the states where we
8 had some trouble and we withdrew. We had
9 customers on-line that were getting service that
10 we hadn't handled. We should have sent them a
11 letter telling them to move to a new carrier, we
12 hadn't done it yet. Mississippi is a state where
13 we were banned from selling new customers, but we
14 were okay to bill. And South Dakota was a state
15 where we had a few customers. And as I'm sure
16 you're more aware than I am, they have a big fine
17 if you're found guilty of slamming there, \$1,000
18 a customer. I didn't want to pay any \$1,000
19 fines, so we stopped billing them and we asked
20 them to get off the service.

21 This is a letter telling Kurtis that

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1 Q. And then where it says "Thanks, Bill,"
2 that would also be you?

3 A. Un-huh.

4 Q. And you're sending this to the CEO,
5 which is Kurtis?

6 A. Yes.

7 Q. What is it that you're telling Kurtis
8 here?

9 A. The situation that we had is, using a
10 billing clearinghouse, we had customers that
11 could not be billed by a clearinghouse because
12 they didn't have contracts with local carriers or
13 what have you. There was always a percentage of
14 customers that they just could not bill for us.
15 So the thought we had was that any customer that
16 came up with a certain code, we would bill by
17 direct bill instead of having the clearinghouse
18 do it.

19 But when we did so, there were certain
20 customers that we just were not billing because
21 either we had trouble in the state they lived in

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1 we need to handle these three states. And maybe
2 it would be a good idea to ask me before we start
3 billing people.

4 Q. Who would do the billing?

5 A. That was typically done by Elizabeth
6 Ontiveros Rosas, she would generate the bills.
7 And then they would go out. And what she would
8 do is, go into our database and look for -- there
9 was a certain code for unbillable through the
10 clearinghouse. And she would just run off
11 everyone who matched that code and generate a
12 bill for it. It was nothing that she -- she
13 probably had an idea, but it wasn't something
14 that comes up specific record. You have 3,000
15 people with this code, print the bills, you know
16 what I mean? So it was not like she looked at
17 them. It's just that after I found out we were
18 doing it, I asked for the information, took a
19 look at it. And figured this is bad.

20 Q. In terms of Alabama where it says, "We
21 have withdrawn from Alabama." What does that

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1 mean?

2 A. We voluntarily withdrew. So they took
3 our certificate there as a long distance carrier.

4 Q. Do you remember what it is that
5 occasioned the withdraw of service in Alabama?

6 A. We had complaints for slamming there.
7 I don't remember the number, but we had a lot.
8 And they had a show-cause hearing, Kurtis went
9 down for the hearing. And what they decided to
10 do was fine us. We couldn't pay the fine. And
11 so they asked us to withdraw.

12 Q. Do you remember what the fine in
13 question was?

14 A. I don't recall. I think it was -- it
15 was a large sum. Maybe \$100,000, \$50,000,
16 something like that. They wanted it right now
17 and we just couldn't do it.

18 Q. Couldn't write them a check?

19 A. No. We had a similar situation in
20 Mississippi and I went to that hearing. And they
21 were kind enough to let us go on a payment plan.

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1 So we were paying a fine there at the time.

2 Q. So that allowed you to continue to
3 provide service to customers that you already
4 had?

5 A. Yes. Their stipulation was that we do
6 not sell anyone new until we had completed paying
7 the fine and waited 12 months. And if we were to
8 sell there, we would have to get scripts approved
9 specifically by their commission.

10 Q. Jumping back to the Alabama situation,
11 I'm going to try to keep this as unconfusing as I
12 can, so bear with me. In terms of the Alabama
13 situation, you said that Kurtis had gone down for
14 the hearing?

15 A. Yes. Kurtis had gone down with our
16 attorney, Marcy Green (phonetic) to that hearing.

17 Q. Your attorney. Who is Marcy Green?

18 A. I think she worked for you. She was
19 our attorney from that firm.

20 Q. Which firm is that?

21 A. I don't remember the name, but she was

1 our counsel for this kind of issue.

2 Q. O'Melvany & Myers (phonetic) mean
3 anything to you?

4 A. No.

5 Q. Swither & Berlin (phonetic)?

6 A. There you go.

7 Q. How long a period of time was Marcy
8 Green your attorney?

9 A. I worked with her for five or six
10 months, I don't know how long she was before
11 that.

12 Q. Roughly, when did you work with her?

13 A. I worked with her during the Alabama
14 dispute, just giving her information and that
15 kind of thing. I don't know. I would assume
16 that Swither & Berlin had something to do with us
17 getting licensed to begin with.

18 Q. In Alabama?

19 A. Everywhere.

20 Q. But you're not sure of that?

21 A. No. I wasn't involved in the process.

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1 Q. Now, why was -- why did the hearing in
2 Alabama take place?

3 A. Because of slamming complaints.

4 Q. And what did you understand the basis
5 of those complaints to be?

6 A. I believe lack of producible
7 verification tapes.

8 Q. That relates back to the problem that
9 we had looked at before in terms of being able to
10 locate verifications?

11 A. Yes. And this was, I don't remember
12 the exact date when it occurred. But at that
13 time, the tapes were just horrible. And the
14 verifications that were on the tapes were not
15 acceptable. So even if we generated something
16 and sent it to them, they didn't accept it.

17 Q. Did you have any understanding as to
18 why they were not acceptable?

19 A. There was something missing on the
20 script.

21 Q. In other words, there was a required

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1 element that was missing?
2 A. That's correct. I don't remember what
3 it was.
4 Q. You indicated that you had to go to
5 some hearing in Mississippi?
6 A. I went to the show-cause hearing in
7 Mississippi.
8 Q. Was there any particular reason why
9 Kurtis went to the Alabama and you went to the
10 Mississippi one?
11 A. I was scheduled to go to Alabama with
12 Kurtis and I was ill, so I couldn't go. I went
13 to Mississippi just because I had been handling
14 the situation from the start. And we had an
15 attorney that I had found -- I think recommended
16 Swither & Berlin. I called them and I had a
17 pretty good rapport with them, so I was asked to
18 go.
19 Q. You got to fly down to Mississippi?
20 A. It was very exciting to be in
21 Mississippi in July. It's just a very nice

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1 place.
2 Q. I suppose that depends on where in
3 Mississippi you got to go.
4 A. Jackson is a booming town. It is
5 something else.
6 Q. So you flew from Indiana to
7 Mississippi?
8 A. From Chicago to Dallas to Jackson
9 because they couldn't take a large plane at the
10 Jackson airport. So I had to fly on the small
11 one.
12 Q. Yikes.
13 A. It's just not a big capital.
14 Q. But that was a flight that Kurtis knew
15 you were taking?
16 A. Oh, yes.
17 Q. Kurtis knew why you were taking it?
18 A. Uh-huh.
19 Q. And the company paid for it?
20 A. Yes.
21 Q. You didn't have to pay for it?

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1 A. No. I didn't pay for the luxurious
2 room, nothing.
3 Q. The luxurious room?
4 A. Yes. It was really a nice place.
5 Q. Kind of like this?
6 A. Yes. I see they do right by you guys.
7 Q. Moving right along here. South
8 Dakota, what's going on in South Dakota?
9 A. South Dakota wasn't that we had a
10 situation there. We had a few complaints. And
11 again, I believe we were missing one line in the
12 verification tape. I don't recall exactly what
13 it was, but that one line allowed the PUC there
14 to find against us. And they were fining \$1,000
15 per occurrence. And on several occasions -- the
16 number was five or six, I believe. And since we
17 had so few customers there, we decided it was a
18 better idea just to withdraw. You know, ask our
19 customers to use a new service. So we didn't
20 have a situation with a PUC hearing. As a matter
21 of fact, I think they liked us because we were

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1 giving their citizens a lot of money.
2 Q. All of the free telephone service they
3 ended up with?
4 A. That is correct. This is all --
5 Mississippi and Alabama also. We provided the
6 customers with free service for a year before we
7 got it in gear and maybe longer than that. So
8 really they -- I can't see how they were really
9 wronged. It's our fault for not doing things
10 correctly, but I'd like to have free phone
11 service for a year.
12 Q. In terms of the line that was missing
13 from the verification script in South Dakota, do
14 you have any recollection as to whether or not it
15 was referencing a South Dakota regulation or
16 something else?
17 A. It was a South Dakota regulation. And
18 if I recall correctly, the line was just
19 something like, "Do you understand that you have
20 the right to call us back. Here's our 800 number
21 to cancel at any time." That wasn't in our

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1 script at the time. And I believe it was in the
2 script previously and it was taken out. And I
3 never did understand by whom. And it was
4 something as simple at that. As simple as one
5 line.

6 And you know, they were very clear,
7 "The rest of the script is fine. And it sounds
8 like the person, however, didn't do it right. So
9 they're entitled to the fee." It just wasn't a
10 good business decision for us to stay there.

11 Q. And stepping back with respect to
12 Mississippi, I think you had also suggested that
13 there was a problem with the script.

14 A. I think Mississippi was a problem with
15 the sales script more than anything else. Our
16 salespeople were not being honest with the
17 customers there.

18 Q. In what way?

19 A. I think they were misrepresenting
20 themselves as AT&T or something. And what we did
21 is, we hit Mississippi with the whole floor for a

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1 couple months before we figured out that they
2 were doing that. They were making a lot of
3 sales. And the sales manager was very happy.
4 And when we discovered that we had put in a new
5 script and started taping salespeople, it was too
6 late by that time.

7 Q. Did there come a time when
8 telemarketers were taped?

9 A. Yes.

10 Q. So with respect to the Mississippi
11 situation, there was a period of time when the
12 telemarketers were not taped?

13 A. That's correct.

14 Q. When did the taping system come into
15 effect?

16 A. I don't recall exactly. Probably
17 sometime in 2001.

18 Q. Perhaps just by referencing the date
19 on the memo here or the dispatch that will place
20 it in time. Because the document that we've been
21 talking about is dated in June of the year 2000.

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1 And apparently from what you're remembering,
2 there's a period of time prior to that -- prior
3 to June of 2000, when no taping occurred. But
4 then at some point, taping began.

5 A. What we did is, initially, when we
6 started to have these problems, we identified
7 certain reps. And we would have a manager listen
8 in on what they were saying.

9 Q. In other words, they were like on the
10 same phone line at the time you --

11 A. They had -- the phones were set up on
12 the sales floor and they had a phone on their
13 desk. And they could hit in a code and then
14 monitor what that person was doing at a certain
15 place. That was fine to listen to one person,
16 but that evolved into a taping system where we
17 could go into a closet and plug in something --
18 six or eight people at a time and monitor them
19 for a period of time on tape. And then we had
20 the tapes monitored. We did not immediately do
21 that.

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1 I don't know if it's just that we
2 didn't figure it out or if it was a money issue
3 or what have you, but that was not -- the
4 immediate solution was that the sales manager
5 would listen in on certain phone calls. So it
6 took -- it was an evolution to get to the point
7 where we could plug in anybody on the sales
8 floor.

9 Q. So at first, there was just, what, if
10 a sales manager happened to be walking by and
11 listening to a telemarketer, at that point, you
12 could hear what the person was saying?

13 A. Initially, yes.

14 Q. And then there came a time when the
15 sales manager could sit at his or her desk and
16 punch a number and then listen to whatever it was
17 a particular telemarketer was saying at that
18 point in time?

19 A. Uh-huh, yes.

20 Q. And then the next step was?

21 A. That we -- what we did is, had a

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1 duplicate box installed that doubled every line
 2 going out. So we looped their line. Not just
 3 out of the building, but through this box and
 4 then out of the building so we could plug into
 5 each one and actually plug a tape recorder in.
 6 And every person on our sales floor was monitored
 7 for an hour or two hours every week. And we had
 8 an individual who just sat at a desk and listened
 9 to tapes. And anything that they heard that
 10 varied from our script was written up. And they
 11 were brought in and trained on it. And if it
 12 didn't stick after the second time they were
 13 retrained on it, they were dismissed. That was
 14 the policy when I left. For how long before
 15 that, maybe a year, year and a half, I don't know
 16 exactly.

17 (A short break was taken.)

18 Q. We had been talking about the
 19 situation in the year 2000 concerning the states
 20 of Alabama, Mississippi and South Dakota. And
 21 you had indicated that the company had withdrawn

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1 from Alabama. Do you recall whether or not a
 2 Discontinuance Application was filed with the
 3 Federal Communications Commission with respect to
 4 the withdraw from Alabama?

5 A. I do not.

6 Q. Do you have any recollection as to
 7 whether a Discontinuance Application was filed
 8 with respect to South Dakota and the company
 9 leaving there?

10 A. No.

11 Q. We're going to jump ahead a year. So
 12 we're going from June of 2000 -- well, not quite
 13 a year, half a year. February of 2001. I'd like
 14 you to look over this document and I'll ask some
 15 questions. It's Bate Stamp Numbers 00671 and
 16 00672.

17 A. Okay.

18 Q. There are two signatures that appear
 19 on the first page and two signatures also that
 20 appear on the second page. Could you identify
 21 the significance for me, please.

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1 A. One is my signature and the other is
 2 Keanan Kintzel.

3 Q. And Keanan Kintzel is signing as a
 4 representative for U.S. Bell?

5 A. Yes.

6 Q. I want to focus on the fourth
 7 paragraph of the first page. What is the
 8 training that is supposed to be involved there?

9 A. That, again, is the training that has
 10 to do with the Hubbard technology that was done
 11 at the Church of Scientology or one of the other
 12 Hubbard training centers.

13 Q. What did this agreement envision you
 14 doing?

15 A. They have volumes of information that
 16 are specific to each division in the company.
 17 And I think what they had saw me doing was going
 18 away and doing one volume at a time, which would
 19 require me entering Florida or California for a
 20 month to six weeks at a time.

21 Q. In other words, that's where these

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1 training facilities were located?

2 A. Yes.

3 Q. And you used a term that I don't think
 4 I'm familiar with, "volume"?

5 A. Basically, the Hubbard technology that
 6 L. Ron Hubbard used to run his churches is all
 7 documented in volumes. And each volume
 8 represents the work to be done in a specific
 9 division of the company. So what you would do
 10 is, you would go -- let's say you were the
 11 manager of division number three. You would go
 12 learn volume three. And since I was the
 13 vice-president over three of the divisions, they
 14 would want me to go and learn those three
 15 volumes.

16 Q. Was this something that you ever did?

17 A. No.

18 Q. Why not?

19 A. There was just never time to do it.

20 Q. There was never a good period for you
 21 to be away for one month to six weeks?

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1 A. I was never staffed up enough that I
2 could walk away for that period of time without
3 there being problems.

4 Q. And how did it come to be that you
5 were never staffed up enough?

6 A. Just a result of turnover and other
7 issues. We just never had the right people there
8 that I felt safe going.

9 Q. Did other issues involve the ability
10 to pay for sufficient staff?

11 A. Finance was always an issue. Just
12 getting the right person in that you really felt
13 you could trust to get things done while you
14 weren't there.

15 Q. So fortunately or unfortunately, you
16 became somewhat indispensable?

17 A. Yes. I don't know about
18 indispensable. But if I were not there, then it
19 would have fallen upon Kurtis or Keanan to do
20 what I was doing. And in that case, I was
21 indispensable because they did not have any

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1 interest in doing the things I was doing.

2 Q. And that was because you were not
3 confident enough in the subordinate that you
4 could have given the task to?

5 A. That's correct. Typically, the budget
6 for my employees was not that high. So I was not
7 able to go out and hire a college graduate to
8 work for me. I was, you know, typically just
9 hiring someone who had a high school education,
10 was fairly young and had not been in the job
11 market that long. So they would be okay working
12 for \$8.00 an hour or something like that. And
13 it's really hard to find somebody to do some of
14 the things I did for that amount of money. So it
15 just never happened.

16 Q. Who was it that set the budget for the
17 matters that you had to oversee?

18 A. Kurtis set all the budgets.

19 Q. Did you have any input into that
20 budget?

21 A. I had requested several times to

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1 increase my budget. And usually, it was a
2 discussion we'll have next quarter when we see
3 how things are going. Usually that discussion
4 was a short one. And there was -- so I had
5 just -- at one point about the time when I was
6 leaving, I had a person working for me who was
7 pretty able. But by that time, it was too late.

8 Q. That person was whom?

9 A. Kelly Adwell. She was more than
10 capable of handling the HR aspect of my position
11 on a temporary basis. And then I had a few
12 people working for me doing legal stuff who could
13 have handled the small stuff.

14 Q. Those people were?

15 A. Amy Dixon (phonetic) was one
16 assistant. And I don't remember the other girl's
17 name, she was only with me for a short period of
18 time. They could handle complaints and that type
19 of thing. If they had been fully trained, they
20 would have understood that anything big, you just
21 go straight to Kurtis and he would help you out.

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1 We just never got that far.

2 Q. And the period of time that you're
3 referring to in respect to your most recent
4 answers is around the time you left the company's
5 employ?

6 A. Probably the last few months I was
7 there.

8 Q. So the summer and autumn of 2002?

9 A. Yes. The people then were better and
10 more trained, but Amy left maybe a month before I
11 did. And then we had a girl who had started a
12 week before I left. That was the only person in
13 the legal department when I left.

14 Q. That person was whom?

15 A. Her first name is Shannon. I don't
16 remember her last name.

17 Q. Dennie?

18 A. That could be. But virtually -- she
19 had enough training to listen to me talk for a
20 week, but that was about it. And I wasn't that
21 happy. But she was a very smart girl. And I

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1 think she had a little bit of experience. She
2 wasn't really trained on procedures or anything
3 like that.
4 Q. Did you have anything to do with her
5 hiring?
6 A. I recommended we hire her, yes.
7 Q. Did you interview her?
8 A. Yes.
9 Q. Was the hiring decision made by
10 someone else?
11 A. Made by Kurtis.
12 Q. On your recommendation?
13 A. I made the recommendation. I don't
14 know if he hired her because of my
15 recommendation. Of the people we saw, I thought
16 she was the most capable person.
17 Q. I'll probably come back to her later.
18 A. Okay.
19 Q. With respect to the second page of the
20 document we have been looking at, Bate Stamp
21 00672, could you try to explain to me what is

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1 meant after the term "VPA statistic"?
2 A. The number of active antes, which
3 would be the number of our customers who are
4 being billed times the amount of income being
5 brought in by division two, which was marketing.
6 Basically, all marketing was doing at that time
7 was sending out calling cards. So it would have
8 been the number of active antes multiplied by the
9 amount of calling card income and divided by
10 10,000.
11 Q. During the period that begins in
12 February of 2001, what understanding did you have
13 as to the number of active antes that the company
14 had?
15 A. Somewhere between 40,000 and 50,000.
16 Q. And that held pretty consistent the
17 entire time from February of 2001 forward?
18 A. It was consistent for about a year.
19 And then, I believe, it was dropping from that
20 point.
21 Q. So roughly in the range of 40,000 to

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1 50,000 from February, 2001 to February, 2002.
2 And then it started dropping at that point?
3 A. Yes. I believe it was because we
4 had -- we were doing a lot more monitoring and
5 typing up on all of our scripts. And we just
6 were not making the number of sales that we had.
7 And for some reason, we were seeing more of a
8 drop off than we had before.
9 Q. So in other words, let's say,
10 beginning in roughly February of 2002, you were
11 still selling customers, but for whatever reason,
12 there were more customers leaving?
13 A. Uh-huh.
14 Q. That would be a yes?
15 A. Yes.
16 Q. And was there ever a study or analysis
17 done to determine why the customers were leaving?
18 A. I think they were doing that in
19 delivery, but I wasn't a part of it.
20 Q. Who would "they in delivery" have
21 been?

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1 A. Elizabeth.
2 Q. If it were being done, it would have
3 been done there?
4 A. Yes.
5 Q. You're not sure whether it was
6 actually being done?
7 A. No, I don't. I would assume that they
8 were working on something, but I was not involved
9 in it.
10 Q. Okay. The next document I want to
11 show you is dated September 25, 2001. It's
12 entitled "Query." It's Bate Stamp Numbers 01072.
13 A. This is Keanan asking me how we handle
14 a complaint where we have a good verification
15 tape.
16 Q. Your response to him was what?
17 A. Basically that we send a tape and a
18 letter explaining that we have a valid tape. And
19 that we are willing to work with the customer and
20 come to a solution to their complaint.
21 Q. So this would be when the complaint